



National Academy of Public Administration
Chartered by Congress

February 12, 1988

[Redacted]

Contracting Officer


[Redacted]

RE: RFP 88-A109

Dear [Redacted]

Pursuant to conversations between you and Mort Cohen, we have revised the Technical and Management Proposal that we submitted with my letter of February 3, 1988 to you. Enclosed are an original and nine copies.

Sincerely,


Ray Kline
President

Enclosure

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NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

VOLUME I - TECHNICAL AND MANAGEMENT PROPOSAL

**PERSONNEL STUDY OF
THE INTELLIGENCE COMMUNITY**

Solicitation No. 88-A109

February 12, 1988

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I. INTRODUCTION

The National Academy of Public Administration Foundation is pleased to submit this proposal in response to the needs of the Director of Central Intelligence.

The National Academy of Public Administration was established in 1967 as a source of independent advice and counsel on making government work. It exists solely to help government achieve excellence. By seeking the very best management practices in both the public and private sectors, National Academy studies have helped federal, state, and local agencies achieve new levels of effectiveness. Over the past two decades, the Academy has conducted 150 such studies. Moreover, these studies continue to lead the agenda of innovation in public administration and policy. The unique resource of the National Academy is its membership, composed of more than 350 distinguished practitioners and scholars of public administration — former Cabinet members and governors, White House officials, prominent business executives who have served in government, and professional government managers and scholars specializing in public affairs. Like other professional academies, the National Academy's members are elected by their peers and are representative of all levels of American government.

Members represent a diversity of backgrounds and experience at every level of government, from local to national to international. All share one important characteristic - they have made a sustained contribution to the field of public administration. Participation in the Academy's work is a requisite of membership, and the members offer their experience and knowledge on a voluntary basis.

In 1984, President Reagan signed legislation granting a federal charter to the National Academy of Public Administration. It is the first such charter since President Lincoln signed the charter for the National Academy of Sciences in 1863. Upon signing the charter, President Reagan expressed his "hope and conviction that future Administrations and Congresses will profit from the research and counsel provided by the National Academy to increase the effectiveness of government." As the National Academy enters its third decade, the need for effective public management has never been greater.

Academy studies are supervised by project panels composed of Academy members and other invited experts from inside and outside government. Day-to-day study efforts are conducted under panel supervision by professional staff augmented by specialists recruited for their superior qualifications. Although subject to Academy quality control requirements, the substantive content of final study reports is the responsibility of the

project panels. The business and leadership functions of the Academy are guided by an elected 15-member Board of Trustees. The President of the Academy is appointed by the Board to direct the operational activities.

The National Academy is supported in part by an endowment raised from its members and a variety of foundations and corporations; by the Webb Fund for Excellence in Public Administration and the Staats Fund for the Public Service both of which accept contributions from corporations and individuals; and by sponsoring organizations and foundations for specific projects. It is recognized as a charitable non-profit corporation under Section 501 (C)(3) of the Internal Revenue Code and contributions to the Academy are tax deductible. It is not federally funded.

The National Academy's research and study program provides assistance under contract to government agencies, foundations, corporations and associations. These studies have contributed to a growing body of knowledge on many aspects of effective governance. From better financial control to innovative human resource management, from effective public procurement to less costly regulation, from new businesslike approaches in state and local government to the structure of federal field operations, the Academy is making significant contributions toward more effective public management.

II. DESCRIPTION OF THE PROBLEM

Background

The Intelligence Authorization Act for Fiscal Year 1988 (Title VII, Section 701) requires the Director of Central Intelligence to contract with the National Academy of Public Administration (NAPA) for a comprehensive review and comparative analysis of the civilian personnel management and compensation systems of the Intelligence Community. The analysis is to include an assessment of the adequacy of existing personnel systems to support the missions of the various intelligence organizations. NAPA is also directed to make recommendations for additional legislation and regulatory or other changes that are deemed advisable to improve the effectiveness of the separate systems.

The study is intended to be an objective, classified review of the Intelligence Community's personnel management and compensation systems. The aim is to provide a baseline understanding of the effect of these systems on the ability of intelligence

organizations to perform current and future missions. In carrying out the study, issues and programs bearing on recruitment, retention, and effective management of employees will be examined. Attention is to be paid to the consequences of pay and evaluation aspects of personnel systems and to programs related to needs for certain critical skills and occupations. Career development and employee support programs will also be examined, as will infrastructure support for personnel management. The interim and final reports will provide recommendations on proposed and potential legislation affecting the intelligence personnel systems.

Study Objectives

The study will address the following broad issues:

- o An examination of the need for significant change in existing Intelligence Community human resource management systems given: (a) strategic trends in the intelligence function; and (b) economic, social, and demographic trends in the American society.
- o An examination of present and planned Intelligence Community personnel systems to ascertain if they will be able to attract and retain the highest quality personnel through the 1990s, including identification of necessary improvements and required legislative proposals.
- o A comparison of Intelligence Community personnel systems with the Federal civil service including identification and analysis of personnel issues facing the Intelligence Community that may differ significantly from those facing the Federal Government in general.
- o A comparison of the personnel needs and requirements facing the individual agencies of the Intelligence Community, with due regard for the differing missions, risks, job requirements and environments of the agencies, departments, and offices involved.

- o Recommendations, if warranted, for legislative, regulatory, or other changes in personnel and/or compensation programs based on the unique nature of intelligence activities.

Specific issues to be examined

The NAPA Panel will conduct an initial analysis to develop comprehensive and objective comparative data on the personnel management and compensation systems affecting civilian personnel of agencies and entities of the Intelligence Community. This data will include information on existing personnel management and compensation systems and proposed changes to these systems.

For the purpose of the study, the "Intelligence Community" consists of the Central Intelligence Agency, National Security Agency, Defense Intelligence Agency, Department of State Bureau of Intelligence and Research, and the intelligence elements of the Federal Bureau of Investigation and the military services.

Project staff will prepare information requests to all elements of the Intelligence Community in order to establish a preliminary list of issues and differences in policies that the agencies believe should be examined in the course of this study. In addition, a series of initial fact finding interviews will be conducted with appropriate staff of the Intelligence Community agencies.

The data from these efforts plus any additional Congressional guidance will provide the basis for selecting the specific areas for in-depth study. The depth and breadth of each area selected for detailed study will be determined at the conclusion of the first phase of the project. It is anticipated that not all agencies and entities of the Intelligence Community need to be examined to the same degree for each issue identified.

As requested in the Terms of Reference provided by the Intelligence Community Staff, consideration will be given to the following issues in determining the areas for detailed analysis.

- o Competition. Intelligence Community competition for human resources is primarily with the private sector. The total compensation package (pay, benefits, and awards) should be evaluated to determine what needs to be done to make the Intelligence Community competitive now and in the 1990s viz-a-

viz the private sector market.

- o Security. Special security, cover, life-style, and professional restrictions should be examined to determine if and how they should be recognized in the total compensation packages.
- o Rewards. Mechanisms and programs for rewarding employees should be evaluated.
- o Training. The resources necessary for retraining to meet changing staffing requirements should be analyzed. Areas that should be assessed include the adequacy of current training and employee development programs throughout the Intelligence Community (as they relate to occupational skills training and the availability of training) and the adequacy of resource commitments to these endeavors.
- o Work Environment. An assessment of the quality of work environment in each agency, including availability of appropriate facilities and equipment as it compares to corresponding elements in the private sector.
- o Retirement Systems. Existing retirement systems should be evaluated as both managerial tools for sustaining career system vitality as well as serving as incentives for retaining employees. This analysis should reflect those events such as government employment ceilings which cause age and promotion bubbles to arise. The evaluation should emphasize problems of plateauing and the need to ensure appropriate employee career progression.
- o Flexibility. The study should explore the appropriateness and feasibility of establishing alternatives to the General Schedule and/or restructuring the General Schedule to provide greater management flexibility. The changing and expanding nature of intelligence requirements and the growing interdisciplinary, interagency character of intelligence work may require managers to have greater flexibility in organizing their work force than current regulations permit.
- o Occupational Pay. Occupational pay should be evaluated as an approach to pay

administration.

- o Leave and Benefits. Alternative methods of leave and benefits administration should be evaluated with respect to the need to accommodate the modern work force, which contains an increasing number of dual-income families and single parents.
- o Career development. The adequacy of career development programs in the face of dynamic change should be examined. Attention should be paid to existing and potential programs, including efforts to recognize the roles of both supervisors and specialists.
- o War-time operations. The potential impact of war-time operations on civilian personnel should be addressed, especially with respect to the need for continuity of critical functions in the U.S. and overseas.

Approach to The Study

1. The Academy will establish a five to seven member panel composed of persons knowledgeable about intelligence, management, and personnel matters.
 - a. The panel composition, determined by NAPA in consultation with the Director of Central Intelligence, will provide the widest possible perspective on the personnel management issues confronting the intelligence community.
 - b. Panel meetings will be held as indicated in the schedule and at such other points in the study as needed to review progress and provide guidance. Individual Panel members may desire individual briefings by community agencies on some issues.
2. During the initial staff analysis phase, the staff will:
 - a. Secure an on-site orientation on mission, organization, personnel numbers, personnel policies, and current personnel issues of each of the organizations and entities in the Intelligence Community.

- b. Determine the major personnel management differences between these organizations, including civilian and uniformed staff. Data will be developed on the need for greater equity between organizations or the need for significantly different personnel management systems.
- c. Determine the critical personnel management problems faced by the organizations such as skill shortages and the like.
- d. Develop an inventory of personnel policy changes currently under consideration or believed to be needed by each organization and entity.
- e. Develop a record of statutory changes in Intelligence Community personnel policies that Congress has approved over the last ten years.
- f. Ascertain the strategic personnel management plans which define personnel needs and the actions planned to meet the identified needs over the next five to ten years.
- g. Determine the need for surveys to secure individual views and perspectives on selected issues. For example, a survey of individuals who declined appointments with intelligence agencies may be appropriate. Or, a survey of staff may be appropriate to secure views on specific issues where detailed studies are being made.

This initial analysis will provide the basis for identification of the critical problems which will be examined in depth and the methodologies to be used.

3. The Panel will have an initial meeting with key members of the Intelligence Community as soon as necessary security clearances are secured to discuss the study and to gain an appreciation of the major personnel management issues, short and long range, which confront the community and to confirm agreement on study goals as produced by the staff's initial analysis. The panel will approve the first interim report which will be provided by April 25, 1988 for transmission to Congress on May 1.

4. Project staff will proceed with detailed analysis and develop plans for in-depth analytical studies in those areas that have been approved by the Panel.

- a. These studies may include historical analysis of experience and trends; detailed examination of selected programs and practices; evaluation of quality indicators; statistical data analysis; and comparative studies of non-intelligence private and public organizations.
 - b. Based on the Conference Report for the Intelligence Authorization for Fiscal Year 1988, a detailed analysis will be performed of existing and proposed changes to personnel management and compensation systems aimed at recruiting and retaining individuals with the skills critical to the various missions of the agencies and entities of the Intelligence Community, e.g., mathematics, computer science, engineering, and foreign languages.
5. A Panel meeting will be held to review continuing staff progress and to approve the second interim report which will present NAPA Panel conclusions reached at this point in time. The NAPA Panel will provide this report by August 26, 1988 for transmission to Congress by September 1.
6. Project staff reports on the detailed studies will include assessment of the adequacy of current systems and changes recently implemented or being actively considered by entities of the intelligence community.
- a. A Panel meeting will be held to review results of staff analysis, to reach tentative conclusions, and to identify where changes are needed in the intelligence agencies' personnel management systems.
7. In accord with Panel guidance, project staff will develop recommendations for legislative, regulatory or administrative changes in the personnel management systems of the intelligence agencies.
- a. A Panel meeting will be held to consider staff proposals. The Panel may meet with former intelligence community leaders to test tentative conclusions and recommendations.
 - b. The Panel will reach conclusions and recommendations and provide staff guidance on preparation of the final report.

8. A draft report will be written and presented to the Director of Central Intelligence by the NAPA Panel. The Director of Central Intelligence will be asked to comment on the draft. The Panel will carefully consider the comments received from the Director of Central Intelligence in reaching its final conclusions and recommendations.

9. A final report will be issued to the Director of Central Intelligence by January 16, 1989 for transmittal to Congress by January 20, 1989.

10. During the course of the study, meetings will be held as needed with the Study Steering Group (SSG) composed of representatives of the intelligence organizations participating in the study and chaired by a member of the Intelligence Community Staff. These meetings will be held to review progress and secure guidance at critical points in the study. Further the SSG will:

- a. provide NAPA early advice on the new or substantially modified personnel and compensations programs planned for early implementation so that they can be evaluated for the interim reports to be provided to the Congress.
- b. be provided an opportunity to review the proposed interim and final reports before they are transmitted to the DCI.

III. STUDY MANAGEMENT

Organization

The National Academy study process is designed for both speed and flexibility. Study teams are recruited to fit specific projects, not vice versa. Working with a stable of potential project staff, the National Academy builds a hand-picked study team in response to the given task.

Within the permanent National Academy staff, the president is ultimately responsible for final decisions on staff and study design. Those decisions are made following initial review by the Director of Academy Studies. The National Academy has already recruited a project director who will act as contract manager for the Personnel

Study of the Intelligence Community. That individual will report to the Director of Academy Studies regarding the development of specific study initiatives.

Once specific tasks are defined, the Project Director will recruit project staff from a group who have also agreed in advance to be available on short notice. Those individuals have been selected for their broad knowledge of human resources management in the Intelligence Community agencies and will bring specific skills to bear on categories of work desired in the proposed contract. Unlike private organizations which must find projects to fit permanent staff, the National Academy is free to recruit personnel to match task needs. Its reputation as a national leader on government management attracts the highest calibre individuals for study teams.

Depending on the nature of the task, the National Academy also selects a panel of members and other experts to oversee the project and develop final recommendations. Each panel is also hand-picked to match the specific needs of the contract. The panel device offers the opportunity to tap the expertise of the National Academy's 350 members. Participation on such panels viewed as a responsibility of membership.

The organization chart of the National Academy is Attachment A to show the customary method of organization. In the case of this RFP the Academy's flow of work will be adapted to the needs of the contracting agency while at the same time maintaining a high level of quality assurance. The Academy's Quality Assurance Policy will be modified to adapt to security considerations.

As to the management of finances, the chief financial officer, assisted by the support staff, assures adequate contractual controls as to cost accumulation, cost management and accurate billings to the Government.

Project Management

Overall study direction will be provided by a panel of persons knowledgeable about Intelligence Management and personnel matters. Day to day direction will be provided by the Project Director and the Deputy Project Director. These two individuals will be responsible for all staff assignments, management of study costs, adherence to the study schedule, and the required reporting.

Staff Estimates

The estimated staff projected for this study consists of:

- | | | |
|----|---|------------|
| 1. | Five to seven Panel members | 25-40 days |
| 2. | Senior Research Associate (Project Director) | 125 days |
| 3. | Senior Research Associate
(Deputy Project Director) | 180 days |
| 4. | Research Associate | 140 days |
| 5. | Additional Research Associates on an
as needed basis - up to | 150 days |
| 6. | Administrative Assistant | 150 days |
| 7. | Secretary | 150 days |

The SSG will identify within each participating agency or entity a focal point for all study related activity within that organization, including responses to NAPA's requests for information.

Resource Availability

NAPA has on its staff a highly qualified survey expert who will be available if surveys are utilized in this study.

Facilities

To be provided by the contracting organization.

Security

The contracting organization's security plan will be utilized.

IV. PERSONNEL

Panel

The Panel for this project will be selected from among those persons listed on Attachment B to provide the widest possible perspective on the personnel management issues confronting the Intelligence Community.

The NAPA Panel, interacting with the staff and the Intelligence Community will provide great depth of experience not only in understanding the intelligence mission and the issues but also in determining what actions would help improve human resources management throughout the community. Panel members will be allowed to include dissenting or additional views if consensus is not reached on report contents or recommendations.

Staff

The two senior people who will conduct the on site work are Don Wortman, who will serve as Project Director and Frank Yeager, who will be Deputy Project Director, Wortman's executive career is characterized by his ability to understand organizational cultures and to appreciate their diversity. His experience includes executive posts in the Atomic Energy Commission, the Office of Economic Opportunity, the Social Security Administration and the Central Intelligence Agency. Yeager, who held a number of executive positions including Director of Personnel at the Department of Labor, has had considerable experience in developing personnel management programs for highly professional staff. His doctoral dissertation was on performance appraisal. Biographical material on both individuals is at Attachment C. They will be assisted by selected research associates and an executive assistant.

Security Clearances

Security clearances for all persons utilized in this study will be requested of the contracting organization.

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